
CROOK COUNTY FARM SERVICE AGENCY NEWS

JULY 2008

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NAP PROGRAM – CHANGES FOR 2009:

In the previous newsletter (June issue) I discussed the forage loss provisions regarding appraisal requirements and grazing on forage crops. This is effective for crop year 2008 and thereafter. A change for crop year 2009 is the NAP policy fee went from \$100 per crop, not to exceed \$300 per producer per county with a total fee not to exceed \$900 for all interest in all counties, to \$250 per crop, not to exceed \$750 per producer per county with a total fee not to exceed \$1,875 per producer for all counties. 2009 Continuous Coverage letters will be mailed in the near future and will address the new fee policy as well.

This “fee” change is important to keep in mind when considering your eligibility in the following new Disaster Programs for crop year 2009: Crop Disaster (SURE), Emergency Livestock Assistance (ELAP) – Formerly announced as EALHF, Livestock Forage Disaster (LFP); Tree Assistance (TAP).

For the 2009 crop year NAP policies must be purchased by **December 1, 2008** for perennial grass hay crops, winter and spring wheat crops intended for hay (unless covered by crop insurance as grain), and honey. Spring crop deadline is **April 1, 2009**. Failure to purchase a policy makes you ineligible for the NAP program and the new disaster programs as outlined below.

DISASTER PROGRAMS:

The June newsletter announced the new disaster programs. Below is more detailed information on eligibility requirements and deadline announcements: The 2008 farm bill created five new disaster programs, collectively referred to as Supplemental Agriculture Disaster Assistance programs. Those programs include: 1. Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP); 2. Livestock Forage Disaster Program (LFP); 3. Livestock Indemnity Program* (LIP); 4. Supplemental Revenue Assistance Payments (SURE) Program; 5. Tree Assistance Program (TAP)

To be eligible for these programs, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance for ALL insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for ALL non-insurable crops. Therefore, for the 2008 crop year only, producers who were eligible to obtain at least CAT level crop insurance or NAP, but did not, can “buy-in” to be eligible to participate in the applicable Supplemental Agriculture Disaster Assistance programs by paying the administrative fee that would have been applicable if the producer had timely applied for CAT or NAP. The 2008 Act allows producers to pay a “buy-in fee” at their administrative county FSA office by the deadline date of **Sept. 16, 2008**. The buy-in fees do not provide any CAT crop insurance coverage or NAP coverage but do allow producers to gain eligibility to participate in the applicable Supplemental Agriculture Disaster Assistance programs. Eligibility Requirements are:

■ **SURE, TAP, and ELAP:** Producers must obtain a crop insurance policy for each insurable crop and NAP for each non-insurable crop on ALL farming interest to be eligible for assistance under SURE, TAP, and ELAP. (SURE program: This requirement includes grazing crops such as pasture and improved grasses intended to be grazed instead of hayed.)

In the 2008 Farm Bill; in general, the term “farm” means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer. In the case of aquaculture, the term “farm” means all fish being produced in all counties that are intended to be harvested for sale by

the eligible producer. In the case of honey, the term “farm” means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

Sure is a “revenue” loss program and will not pay on individual crop losses. Rather, the program payments will be based on total revenue compared to expected revenue for the farming operation(s) which will include ALL crops! *This is an important change from past crop disaster programs.!*

■ **LFP:** Producers must timely obtain a crop insurance policy for insured crops (CAT policy) or timely file the required paperwork for NAP for grazed crops, including and most importantly - pasture. Any insurance/coverage already purchased to meet the eligibility requirements for these programs must be at a minimum level of 50 percent yield coverage and at 55 percent of the insurable price.

■ **LIP:** The Livestock Indemnity Program (LIP) is exempt from the risk management purchase requirement and therefore, does not require a waiver.

How to “Buy-In”

All producers who wish to become eligible in 2008 for the Supplemental Agriculture Disaster Assistance programs must visit their administrative county FSA office and fill out form CCC-752 and/or form CCC-753. The county offices will determine the appropriate buy-in fee required. **The 2008 crop year deadline for the buy-in is Sept. 16, 2008.** (The 2009 deadlines are September 30th for crop insurance and December 1st for NAP.)

“Buy-in” Fee

For the 2008 crop year, the deadline to apply for crop insurance and NAP passed prior to enactment of the 2008 Farm Bill. As a result, when the requirement to obtain insurance or NAP as a condition of eligibility for SURE, TAP, ELAP and LFP was enacted, many producers would have been excluded from eligibility. Therefore, for the 2008 crop year only, producers who do not have ALL crops on the farm covered with the risk management protection programs of crop insurance and/or NAP and wish to be eligible for the SURE, TAP, and ELAP in 2008, or wish to have grazing acres eligible for LFP in 2008, can do so by paying the applicable buy-in fee by **Sept. 16, 2008**.

2008 Buy-in Fees for CAT and NAP Covered Crops

■ \$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer, for all counties, less any previously paid fees for CAT and/or NAP. These fees and limits apply separately to both CAT and NAP covered crops. Therefore, producers may be required to pay buy-in fees under both CAT and NAP to meet whole farm eligibility requirements for the new disaster programs of SURE, ELAP and TAP. Producers who meet the definition of a Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher as defined in section 2501 (e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)), do not have to meet this risk management purchase requirement and, therefore, are not required to pay the buy-in fee.

Definitions: *Socially Disadvantaged farmer or rancher* is a farmer or rancher who is a member of a socially disadvantaged group. For entity applicants, all members of the entity must be socially disadvantaged. A Socially Disadvantaged Group is a group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

A Limited Resource Producer is a producer with both of the following:

- Direct or indirect gross farm sales not more than \$100,000 in both of the previous 2 years (as adjusted for inflation using Price Paid by Farmer Index as compiled by NASS); and
- Total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years (to be determined annually using Commerce Department Data).

Limited Resource Producer status can be determined in an automated system using the Web site for USDA Limited Resource Farmer and Rancher Online Self Determination Tool at <http://www.lrrftool.sc.egov.usda.gov/tool.asp>. The automated system calculates and displays the adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

A Beginning Farmer or Rancher is an individual or entity who: (1) has not operated a farm or ranch for more than 10 years and (2) substantially participates in the operation. If the applicant is an entity, all members must be eligible beginning farmers or ranchers.

TERMINATION OF CROP INSURANCE “GRP” POLICY:

The Group Risk Plan (GRP) for pasture grass in Wyoming offered by a private insurance agent, has been terminated for 2009 and subsequent crop years. (GRP was the “CAT” level of insurance). The Pasture, Rangeland and Forage (PRF) Vegetation Index program, which came out mid-September 2007, will continue in all Wyoming counties. You should contact your agent and discuss your insurance needs as applicable. Deadline to cancel GRP and add other insurance is **September 30th**.

Since the PRF program does not provide any level of “CAT” protection (bare minimum insurance) producers can purchase a NAP policy from FSA to meet requirements of the new Disaster Programs enacted under the 2008 Farm Bill Legislation.

COUNTY COMMITTEE ELECTIONS:

There is still time to nominate yourself or another individual as a candidate in the upcoming committee elections. If you are interested please file your nomination form today. **Deadline to file is August 1st.**

2008 AVERAGE ADJUSTED GROSS INCOME (AGI) PROVISIONS:

Each participant receiving a payment must have a current certification of AGI or CCC-526 on file. For 2008 DCP only, a producer, by acknowledging receipt of CCC-509 Appendix, subparagraph 3 I, dated 06/20/08, will certify that there has not been a material change in the producer’s AGI that would affect eligibility. In the case of an entity, such as a corporation, the individual is certifying to the “AGI” requirements for the rest of the members of that entity. However, if changes have occurred in the farming, ranching, or forestry operation that would affect the financial status of the producer, or other members of an entity, the producer(s) must complete a revised CCC-526. The \$2.5 million AGI limitation that applied to the 2007 DCP contract will also apply to the 2008 contract.

2008 CROP YEAR COMMODITY LOANS AND LOAN DEFICIENCY PAYMENTS (LDP):

Nine-month loans are available on most grain crops grown in this county, wool, mohair and honey. The July interest rate is 3.375%. Loan rates are: winter wheat - \$2.65/bu.; spring wheat - \$2.58/bu.; barley - \$1.75/bu.; oats - \$1.21/bu. Hay, silage, and unshorn pelts derived from eligible commodities are eligible for LDP but not loans. Grain crops are eligible for an LDP payment as well if the applicant wishes to forgo a loan. LDP’s can be disbursed on eligible commodities as long as the posted county price (actual daily market price) is below the county loan rate.

IMPORTANT DATES TO REMEMBER

REMINDER: Our central office in Kansas City, Missouri will be mailing post cards to producers reminding them of several deadlines such as Aug. 15 Crop Report, Sept. 16 CAT-NAP Buy-in fee, Sept. 30 DCP. Watch for it in the mail.

IMMEDIATELY...FILE notification of NAP loss forms within 15 days of loss

...Notify county office of direct deposit changes, farm record changes or management changes

August 1...Committee Election nomination form deadline.

August 1...Deadline to request Reconstitutions of farms.

August 15... Crop Report Deadline

September 30...DCP signup Deadline

September 30...Crop Insurance deadline for 2009 crops

ANYTIME...Continuous CRP enrollment

Call FSA prior to breaking up sod (new land) and before planting a crop on sod

For more information on any Farm Service Agency program, visit or call our office, or visit the FSA Homepage at www.fsa.usda.gov Have a Nice Day, /s/ Mike Idler, CED

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice and TDD).

UNITED STATES DEPARTMENT OF AGRICULTURE

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